

# INFORMATION LETTER

Not for  
Publication

NATIONAL CANNERS ASSOCIATION

For Members  
Only

No. 671

Washington, D. C.

October 16, 1937

## SUGAR REGULATIONS ISSUED

### Substantially Similar to Those Under the Jones-Costigan Act

Sugar which is to be used in the processing of canned fruits for export may be imported into the United States without regard to, and without being charged against, any applicable quotas, under the provisions of General Sugar Regulations, Series 2, No. 3, recently released by the Secretary of Agriculture under the Sugar Act of 1937. This Act, it will be recalled, extends and revises the sugar quotas established under the Jones-Costigan Act, and makes it unlawful for any person to import sugar in excess of the quotas established. The new regulations replace, and are substantially identical in terms with, the old regulations under the Jones-Costigan Act (General Sugar Order No. 1, Revision 1, March 16, 1935).

Under the terms of the Secretary's regulations, sugar may be imported in excess of and without being charged against the quota restrictions, upon the giving of a bond, if the sugar is

"to be manufactured into articles to be exported from continental United States with benefit of drawback, or to be designated as the basis of a claim for drawback."

The regulations require the "importer, consignee, owner of, or other person interested in" the sugar to give a bond guaranteeing that the sugar "or an equivalent amount thereof" will be exported within three years from the date of importation. The bond is to be cancelled upon the allowance of a claim for drawback or upon other satisfactory proof of exportation. In addition, the Secretary is authorized to release the bond "upon allowance of drawback based on a designation of other sugar."

It will be observed that the principal of *substitution* is recognized in these regulations. In order to comply with the conditions of the bond it is not necessary to export canned fruits containing the *identical sugar* imported under the bond. The exportation of "an equivalent amount thereof" suffices. Furthermore, the Secretary may release a bond "upon allowance of drawback based on a designation of other sugar."

The regulations further provide that the bond of the original importer (who may be a refiner) may be released if he sells the sugar and the purchaser gives a satisfactory bond with similar conditions. The Bureau of Customs may require the processor to furnish such certificates or other documents as may be necessary in the administration of the regulations.

### Special Session of Congress Called

President Roosevelt on October 12th called a special session of Congress to convene at noon on November 15th,

and in a radio address on the evening of the 12th listed five pieces of legislation that he described as immediately needed. These included:

Control of crop surpluses and the proper use of land.

Creation of seven planning regions for irrigation and flood control projects, similar to the T. V. A.

Reorganization of the executive departments of the Federal government.

Minimum wages and maximum hours and abolition of child labor.

Strengthening of anti-trust laws.

The first of these subjects to be taken up will be crop control, in accordance with the understanding reached at the time Congress adjourned. Early action is also anticipated toward enactment of wages and hours legislation.

## SOCIAL SECURITY DEVELOPMENTS

### Federal Information Returns Not Required to be Filed on October 31, 1937

No *Federal Information Returns* on Forms SS-2 and SS-2a for the quarter ending September 30, 1937, need be filed on October 31, 1937, according to a recent announcement of the Commissioner of Internal Revenue. Instead, *Information Returns* covering the entire period from July 1 to December 31, 1937, must be filed on or before January 31, 1938.

It will be recalled that every canner who employs one or more persons, and thus is subject to the Old-Age Benefit taxes imposed by Title VIII of the Federal Social Security Act, is required to file periodic *Information Returns* on Forms SS-2 and SS-2a. The first of these returns, which report in detail all taxable wages paid to every person employed by the canner, covered the period from January 1 to June 30, 1937, and was filed on July 31, 1937. Thereafter, under the Regulations in force at that time, these returns were to be filed quarterly, the next return covering the quarter ending September 30, 1937, and being due on October 31, 1937. By virtue of this announcement of the Commissioner, however, this return need not be filed. A single return covering the entire six months period from July 1 to December 31, 1937, must be filed in place of the two quarterly returns. It is due on or before January 31, 1938.

The announcement of the Commissioner relates only to *Federal Information Returns*, however, and does not relieve canners from the duty of filing any quarterly information returns which may be due under State statutes.

The Michigan Unemployment Compensation Commission has announced that it will hold a public hearing on October 20, 1937, for the purpose of establishing the cash value of

board and lodging furnished to employees subject to the Michigan Act. At this hearing, employers will be given an opportunity to furnish information which can be used as a basis for determining a reasonable value for such services as board, lodging, rent and housing, given to the worker as a part of his wages. The values established will be used in computing the taxable wages paid to the workers.

### ASPARAGUS PACK IN 1937

#### Decline in Regular White and Increase in All Green Reported

The asparagus pack in 1937 totaled 2,723,368 cases of all sizes of containers, as compared with 2,790,994 cases in 1936, according to figures compiled by the Association's Division of Statistics. In 1937 the pack of All Green asparagus showed a gain of 282,891 cases over that of 1936. The pack of Regular White, on the other hand, showed a decrease of 350,517 cases.

In the following table showing the pack in 1937 by States and by can sizes, all cases have been converted to the sizes indicated. For example, all 8Z are reported 48 to the case and 300's at 24 to the case. All No. 2 Tall are included with the 24/2's and all 2½'s are combined under 24/2½'s.

Pack by States			
STATE	Regular White Actual cases	All Green Actual cases	Total Actual cases
New Jersey, Del. and Md.		178,266	178,266
Ill., Ind., Iowa, and Nebr.	7,814	236,934	244,748
Michigan and Ohio		83,257	83,257
Wash., Oregon and Utah		75,775	75,775
California	1,508,712	583,280	2,091,992
Southern States	2,100	47,230	49,330
Total	1,518,626	1,204,742	2,723,368

Pack by Can Size			
CAN SIZE	Regular White Cases	All Green Cases	Total Cases
24/2	230,392	589,526	819,918
48/8Z	14,879	104,968	119,847
48/1 Picnic	467,357	194,975	662,332
48/1 Tall	71,724	40,733	112,457
24/1 Square	409,514	27,933	437,447
24/300	969	140,850	141,819
24/2½	231,731	9,671	241,402
6/10	83,891	88,777	172,668
Miscellaneous	8,169	7,309	15,478
Total	1,518,626	1,204,742	2,723,368

#### Safe Processes for Institutional Cannery

The "Journal of the American Medical Association" of September 25th, carries a very commendatory editorial regarding Bulletin 26-L of the National Cannery Association—"Processes for Non-Acid Canned Foods in Metal Containers, Third Edition." The editorial contains interesting comments

on the value and contents of the Bulletin and closes with the following statement:

"It is interesting to note that with some products the position in which the can is heat processed in the retort is important. Spinach and similar greens that tend to stratify must be processed with the can in a horizontal rather than in a vertical position. Cans of asparagus must be heated with the spears in a vertical position. Other factors stressed in the bulletin and worthy of mention are strict observance to sanitation in the plant and prompt and rapid cooling of the cans to prevent later spoilage by thermophilic organisms. Bulletins of this type which provide full information about proper canning procedures are valuable safeguards to public health, and the canning industry is to be commended for its support of such publications. Directors of institutions which make a practice of preserving foods in metal containers would do well to give careful attention to the technical details provided in this bulletin."

### Fruit and Vegetable Market Competition

Carlot Shipments as reported by the Bureau of Agricultural Economics, Department of Agriculture

VEGETABLES	Week ending—			Season total to—	
	Oct. 9 1936	Oct. 9 1937	Oct. 2 1937	Oct. 9 1936	Oct. 9 1937
Beans, snap and lima	60	48	42	8,120	8,215
Tomatoes	595	531	635	23,415	21,960
Green peas	79	122	136	7,097	6,849
Spinach	3	4	28	7,567	2,262
Others:					
Domestic, competing directly	1,939	1,627	1,060	69,138	70,226
Imports, competing indirectly	74	84	102	265	328
FRUITS					
Citrus, domestic	1,840	1,351	1,356	133,917	139,803
Imports	4	22	34	379	366
Others, domestic	4,303	5,453	6,102	69,803	63,917

### Cold Storage Stocks

The following table shows the holdings of certain fruits and vegetables in cold storage as reported by the Bureau of Agricultural Economics:

	Aug. 1, 1937	Sept. 1, 1937	Oct. 1, 1937
	1,000 lbs.	1,000 lbs.	1,000 lbs.
Frozen and preserved fruits:			
Strawberries	36,930	36,198	34,707
Blueberries	1,147	2,484	5,421
Cherries	23,127	30,170	25,246
Other fruits	54,202	59,598	66,056
Frozen vegetables:			
Peas	7,457	11,337	11,004
Beans, cut	1,473	1,770	1,313
Beans, lima	2,100	2,817	2,565
Corn	408	498	1,885
Spinach	811	737	562
Other vegetables	4,402	4,877	5,654

### Brazil to Make Trial Pineapple Shipment

A test shipment of about 100 crates of pineapples will be consigned to New York from Rio de Janeiro on October 20, according to a report to the American assistant trade commissioner at Rio de Janeiro. The pineapples will be for-

warded in refrigerated space and if they arrive in good condition after the voyage of approximately two weeks, in the event they are well received there, further shipments are expected to be made during the Brazilian season, which extends from the middle of October to the end of January. This will be the first shipment of pineapples from Brazil to be carried in refrigerated space.

### Employment and Prices

The following indexes on employment and prices are the latest now available. For employment and payrolls they are based on the average for 1923-25 as 100 per cent, while for wholesale prices 1926 is taken as 100 per cent.

	Employment		Payrolls		
	Aug. 1937	July 1937	Aug. 1936	July 1937	Aug. 1936
All industries.....	102.2	101.4	93.5	103.7	100.4
Canning.....	278.1	209.8	252.5	294.2	245.0

	Wholesale Prices				
	Oct. 2 1937	Sept. 25 1937	Sept. 18 1937	Sept. 11 1937	Oct. 3 1936
All commodities...	86.9	87.5	87.4	86.8	81.3
All foods.....	87.8	88.7	88.6	86.6	83.0

### CANNING CROP ESTIMATES

#### Bureau's Report Shows Considerable Decline in Kraut Cabbage Prospects

The report of the Bureau of Agricultural Economics on canning crops based on conditions as of October 1st, shows that from September 15th to October 1st the indicated production of lima beans declined from 25,580 tons to 25,110 tons; beets from 63,400 tons to 61,200 tons; kraut cabbage from 166,500 tons to 132,800 tons; and pimientos from 18,440 tons to 16,120 tons. On the other hand the indicated production of tomatoes increased from 1,742,000 to 1,793,500 tons.

The following table gives figures on the acreage and production of these five crops for 1936 and 1937:

	Acreage		Production	
	Harvested 1936	Planted 1937	1936	1937
	Acres	Acres	Tons	Tons
Beets.....	8,350	11,300	47,100	61,200
Beans, lima.....	32,740	45,620	20,140	25,110
Cabbage, kraut....	18,810	22,000	114,800	132,800
Pimientos.....	9,190	12,730	13,880	16,120
Tomatoes.....	419,070	462,300	1,987,500	1,793,500

### HEAT PENETRATION

#### Importance as Processing Factor Emphasized by Inquiry Received in the Laboratory

The necessity of considering features other than the time and temperature of process in the processing of canned foods was noted in INFORMATION LETTER No. 665 (Sept. 4, 1937), in which statement a number of illustrations of such factors were given. The influence of heat penetration has been emphasized in many statements from the Research Laboratory and instances arise frequently which indicate the need for its restatement.

It is an old saying in the industry that in processing a mixture of two vegetables the process of the one most difficult to sterilize when canned alone should be used. This generalization is not always appropriate. The heat penetration and also the acidity of all portions of the contents of the can must be considered in order to arrive at the proper process. It sometimes happens that one of the components of a mixture settles to the bottom of the can in a compact mass, the heat penetration of which is very slow. Conditions of this sort must be carefully considered and guarded against as much as possible.

An illustration of this condition came to the attention of the Research Laboratory a few days ago. A canner was

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### UNSOLD STOCKS OF CANNED SALMON

Unsold stocks of canned salmon on September 30th totaled 3,931,495 cases, as compared with 2,793,555 cases on the corresponding date in 1936. The figures for 1937 are based on reports from 90 companies producing probably 96 per cent of the 1937 pack, while those for 1936 are based on reports from 77 companies producing approximately 94 per cent of the 1936 pack. In issuing this report under date of October 7th, the Association of Pacific Fisheries calls attention to the fact that the 1937 pack of individual companies and of the total is not yet definitely known as some packing is still going on in certain localities. The following table furnishes detailed figures on the stocks:

Grades or Varieties	Tails (1 Pound)	Flats (1 Pound)	Halves (8 doz.)	Total Sept. 30, 1937	Total Sept. 30, 1936
	Cases	Cases	Cases	Cases	Cases
Chinooks or Kings:					
Fancy Red.....	10,509	16,420	75,154	102,083	63,676
Standard.....	24,623	13,586	17,262	55,471	35,662
Pale.....	3,182	325	922	4,429	16,077
White.....	2,115	2	921	3,038	9,689
Puget Sound Sockeyes.....	716	4,302	31,501	36,519	30,877
Alaska Reds.....	1,084,497	41,404	67,841	1,193,742	385,831
Coho's, Silvers, Med. Reds.....	33,894	2,044	12,192	48,130	71,281
Pinks.....	2,127,320	3,320	28,984	2,159,624	1,976,620
Chums.....	318,983		3,334	322,317	195,173
Bluebacks.....			3,404	3,404	893
Steelheads.....	1,469	998	271	2,738	7,776
Total.....	3,607,808	82,401	241,786	3,931,495	2,793,555



**HEAT PENETRATION***(Continued from page 5373)*

attempting to devise a new mixture consisting in considerable part of rice. Another component was a non-starchy material which, when processed by itself in brine, could be sterilized with a relatively low process. The canner reasoned that this low process could be satisfactorily used for the new product. He was advised that in order to compensate for the slower heat penetration resulting from the starchy material in the product a more severe process was necessary. The problem was further complicated by the fact that when the samples were prepared the rice settled to the bottom of the can in a compact mass so that heat penetration was considerably slower in the lower part of the can than in the upper portion. He was advised of this condition and it was suggested that he increase the pre-cook in order to obtain a product of even consistency in the can, thus improving the product from the standpoint of appearance and bringing about a condition in which heat penetration would be a constant factor.

**Canada-New Zealand Agreement Extended**

The trade agreement between Canada and New Zealand has been extended to September 30, 1938, with a few modifications. Among the modifications, Canada grants reductions, effective August 1, 1937, in the duties on canned meats, poultry and game from 15 per cent ad valorem (on kidneys and tongues 15 per cent but not more than 3 cents per pound), to free; and also admits free of duty canned white bait and canned crayfish (formerly 15 per cent ad valorem but not more than 7½ cents per pound). No changes were made in the previous concessions granted to Canada by New Zealand.

**Sales Agency Offices of the Bureau of Foreign and Domestic Commerce**

The INFORMATION LETTER from time to time makes note of publications of interest to canners which are issued by the Bureau of Foreign and Domestic Commerce, and which are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. All these publications can likewise be ordered through the sales agency offices of the Bureau, which may be a more convenient way for canners to obtain them, and there is accordingly given below a list of the cities in which the Bureau has sales agency offices:

Atlanta, Ga.	Houston, Tex.	New York, N. Y.
Birmingham, Ala.	Indianapolis, Ind.	Norfolk, Va.
Boston, Mass.	Jacksonville, Fla.	Philadelphia, Pa.
Buffalo, N. Y.	Kansas City, Mo.	Pittsburgh, Pa.
Charleston, S. C.	Los Angeles, Calif.	Portland, Ore.
Chicago, Ill.	Louisville, Ky.	Rochester, N. Y.
Cincinnati, Ohio	Memphis, Tenn.	St. Louis, Mo.
Cleveland, Ohio	Milwaukee, Wis.	San Francisco, Calif.
Dallas, Tex.	Minneapolis, Minn.	Savannah, Ga.
Denver, Colo.	Mobile, Ala.	Seattle, Wash.
Detroit, Mich.	New Orleans, La.	Wilmington, Del.

**F. S. C. C. Announces Further Purchasing Plans**

The Federal Surplus Commodities Corporation has announced that it will purchase surplus dry green peas and dry edible beans in commercial producing areas in an effort

to increase returns to growers, and the Corporation has likewise signified an intent to make purchases of California prunes. The Commodity Credit Corporation, at the same time, intimated that it might make advance payments to growers of prunes for the purpose of holding a large quantity off the market until world demand has an opportunity to assert itself.

The peas and beans will be bought in sack containers directly from the growers and handlers under inspection by the Federal-State Inspection Service or some other designated inspection service. Details concerning areas in which purchases will be made, prices to be paid, and grades and quantities to be bought are being considered by the Corporation with the aid of its field men in the major producing areas and with the cooperation of the growers and handlers.

Definite information as to the plans of the two Federal agencies with respect to the proposal to assist prune growers is not available.

Other products to be bought by the Surplus Commodities Corporation to bolster their respective markets include fluid milk from producers and handlers in the Boston area, fresh or storage eggs of U. S. wholesale grade No. 2 or better in carload lots of one to ten cars, and crude and refined cottonseed oil to be manufactured into shortening.

Products purchased by the Corporation are diverted from the regular trade channels to State relief agencies for consumption by persons on relief.

**Substandard Prune Diversion Program Announced**

Steps to aid the growers and handlers of prunes were taken when an agreement between the Secretary of Agriculture and the Pacific Prune Products Association was approved on October 14th, by which the Association, a newly formed, non-profit, voluntary marketing organization representing the growers and handlers of prunes, will buy substandard prunes and divert them into such by-products as animal feeds, brandy or other alcoholic products, and possibly fertilizer.

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